

YoY Chg 12-Mo. Forecast

4.7%

Vacancy Rate



357

Net Absorption, units



\$1,075

Effective Rent / Unit



(Overall, All Property Classes for Q2 2022)
Source: CoStar

ECONOMIC INDICATORS Q2 2022

YoY Chg 12-Mo. Forecast

502k

Omaha Employment



2.2%

Omaha Unemployment Rate



1.2%

Omaha Household Growth Rate



Source: BLS, BOC, Moody's Analytics, CoStar

*Dataset used for report has been updated to exclude outlying submarkets considered to be outside of the Omaha metro's core area.

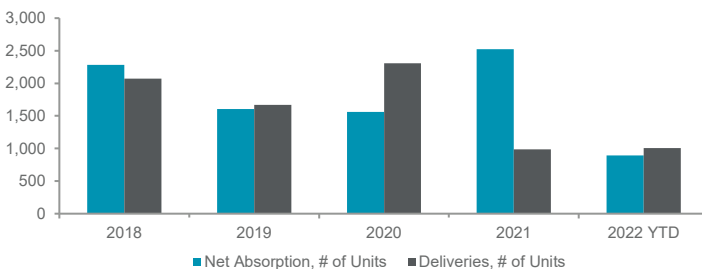
ECONOMIC OVERVIEW:

Omaha employers added 11,400 jobs year-over-year (YOY), bringing the total employment number to 501,900 in the second quarter of 2022. Local job growth is expected to continue, averaging 0.4% between 2024 and 2026, adding an average of 1,870 jobs each year. Omaha unemployment rates continue to shrink, ending the first half of the year at just 2.2%, which is 140 basis points (bps) below the national average. The state of Nebraska has the second lowest unemployment rate in the nation at 1.9%, following closely behind Minnesota, at 1.8%. While employers are struggling to find help, workers are seeing a financial benefit from the labor shortage, as wages are on the rise. Omaha's median household income increased by \$1,100 YOY, resting at \$76,000 in the second quarter, which is substantially higher than the US average of \$70,500.

MARKET OVERVIEW:

A total of 894 apartment units have been absorbed in the first half of 2022, down by nearly 50.0% YOY. However, the slowdown is not due to a decline in demand. It is due to a combination of high retention and low vacancy rates. Overall vacancy declined by 50 bps YOY, leaving only 4.7% of the multifamily inventory vacant. Developers are working to keep up with demand and are staying on course, but renters are preleasing before construction has even been completed, which is keeping vacancy low. There have been 1,008 new units delivered year-to-date (YTD) and another 1,307 rentals are currently in the construction pipeline. Downtown Omaha is home to majority of new rentals, as more than 400 new units have been delivered in that area this year. The city's urban core is undergoing a transformation that will change the look and feel of the downtown, that patrons have always known. There is a flurry of new construction and development in the area and renters are eager to live near the excitement. A few of the most impactful changes include Mutual of Omaha's \$600 million, skyline changing office tower, the addition of a streetcar, and the riverfront revitalization project. According to AxioMetrics most recent report, permits for 3,624 multifamily units were issued in a twelve-month period, ending in May 2022. This is an increase of 1,100 units, during the same period in the previous year. Omaha's effective rents continue to trend upward, averaging \$1,075 per rental in the second quarter, up 7.6% YOY. Low inventory and rapidly increasing mortgage rates have made it harder to purchase a single-family home. Many people have hit pause on their home search and are instead signing apartment leases. This has put more pressure on the multifamily market and is the primary driver in rent increases. Effective rents are forecasted to increase by 12.5%, reaching \$1,209 per unit by the year 2025.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

| SUBMARKET | INVENTORY (UNITS) | DELIVERIES (UNITS) | YOY % INVENTORY GROWTH | UNDER CONSTR (UNITS) | YTD NET ABSORPTION (UNITS) | VACANCY RATE | YOY VACANCY RATE CHANGE | AVG EFFECTIVE RENT/UNIT | AVG EFFECTIVE RENT PSF | YOY % EFFECTIVE RENT GROWTH |
|--------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|--------------|-------------------------|-------------------------|------------------------|-----------------------------|
| Bellevue | 2,624 | 117 | 4.7% | 48 | 55 | 6.0% | -2.5% | \$1,082 | \$1.19 | 12.8% |
| Central Omaha | 8,294 | 0 | 1.2% | 0 | 39 | 3.4% | 0.0% | \$1,039 | \$1.15 | 7.6% |
| Council Bluffs | 2,371 | 0 | 0.0% | 0 | 4 | 2.2% | -0.7% | \$935 | \$1.13 | 4.7% |
| Downtown Omaha | 6,546 | 371 | 6.5% | 397 | 180 | 8.1% | -0.2% | \$1,163 | \$1.09 | 3.6% |
| Elkhorn | 4,585 | 0 | 2.4% | 604 | 136 | 3.7% | -0.5% | \$1,297 | \$1.37 | 9.8% |
| Gretna | 1,869 | 0 | 16.9% | 108 | 83 | 7.9% | -2.8% | \$1,052 | \$1.39 | 10.0% |
| Midtown | 11,810 | 0 | 1.3% | 0 | 110 | 4.6% | -2.6% | \$1,036 | \$1.19 | 7.9% |
| Millard | 3,327 | 0 | 0.0% | 0 | 23 | 1.8% | 5.0% | \$1,165 | \$1.31 | 10.4% |
| North Omaha | 8,960 | 92 | 1.0% | 0 | 1 | 6.7% | -3.4% | \$893 | \$1.23 | 4.8% |
| Northwest Omaha | 6,395 | 0 | 0.0% | 0 | -3 | 2.3% | 1.0% | \$1,250 | \$1.00 | 7.6% |
| Papillion/La Vista | 4,973 | 0 | 0.0% | 0 | 174 | 3.1% | 0.4% | \$1,110 | \$1.19 | 8.2% |
| Ralston | 5,753 | 0 | 0.6% | 0 | 57 | 3.2% | -1.4% | \$906 | \$1.17 | 8.1% |
| South Omaha | 1,256 | 0 | 0.0% | 0 | 5 | 1.4% | 5.8% | \$669 | \$1.00 | 2.9% |
| West Omaha | 7,715 | 136 | 1.8% | 150 | 30 | 7.4% | -1.3% | \$1,124 | \$0.88 | 8.0% |
| Omaha | 76,478 | 716 | 1.9% | 1,307 | 894 | 4.7% | 0.4% | \$1,075 | \$1.19 | 7.6% |

Source: Cushman & Wakefield Research, CoStar

KEY SALES TRANSACTIONS Q2 2022

| PROPERTY | SUBMARKET | SELLER / BUYER | UNITS | PRICE / \$ UNIT |
|-----------------------------|-----------------|---|-------|--------------------|
| The Reserve at the Knolls | Northwest Omaha | Prism Real Estate Services/Sovereign Capital | 253 | \$18,124,000/\$51 |
| The Village at Grant Square | Central Omaha | TAB Liberty Partnership XVI, LLC/Village at Grant Square Realty | 204 | \$21,000,000/\$98 |
| Chateau at Hillsboro | Northwest Omaha | Chateau at Hillsboro, LLC/Montclair Chateau Holdings, LLC | 114 | \$12,960,000/\$199 |

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